North 56th Street and Arbor Road Substandard and Blight Determination Study

Lincoln, Lancaster County, Nebraska

Prepared for: the City of Lincoln, Nebraska

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North 56th Street and Arbor Road Blight Study

	page #
A. Purpose and Scope	1
B. Nebraska Community Development Law	4
Section 18-2102 Legislative findings and declarations	4
Substandard and Blighted Areas	4
Section 18-210 Terms, defined	4
Substandard area	4
Blighted area	5
C. The Study Area	6
Legal Description	6
General Description	7
Summary	7
Zoning/Land Use	7
Area Conditions	9
Structures	9
Roads and Streets	11
Land Subdivision and Ownership	12
Utilities	14
Water	14
Wastewater	15
Special Concerns	17
D. Qualification of the Area	18
E. Summary and Conclusions	20
Sources	21
List of Maps	
Map 1: Area Context	2
Map 2: Study Area Boundaries, Aerial View	3
Map 3. Zoning	8
Map 4: Ownership Parcels	13
Map 5: Floodplain and Wetlands	16

North 56th Street and Arbor Road Blight Study

A. Purpose and Scope

This study presents an assessment of the substandard and blighting conditions for an area of land located around the interchange of Interstate 80 and North 56th Street/U.S. Highway 77 in Lancaster County, Nebraska. It is necessary to undertake this assessment to meet the statutory definition of "substandard and blighted" as found in Neb. Rev. Stat. sections 18-2101 et. seq. (Reissue, 1997), as amended. These sections are known and cited as Nebraska "Community Development Law".

The study identifies qualifying substandard and blight conditions existing in this area based on assessment methods and analyses that include, but are not limited to, site surveys, a review and analysis of city and county records, personal interviews, and aerial photographic analysis.

The area studied can generally be described as follows:

Beginning at Salt Creek, north on North 40th Street to a point approximately one mile north of Interstate 80, then east to US Highway 77, then south to the Interstate, then east to North 70th Street, then south to Salt Creek, and then in a south/southwest direction following Salt Creek to the starting point.

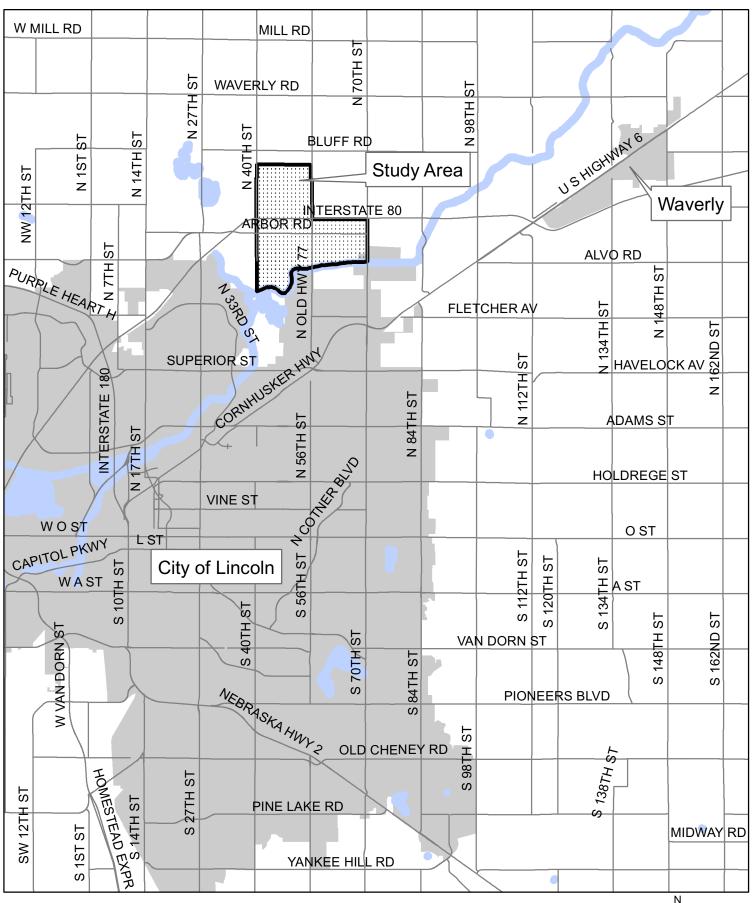
A broad legal description of the study area is 1:

The South Half and the South Half of the North Half of Section 20, The South Half and the South Half of the North Half of Section 28, All of Section 29 and those portions of Sections 32 and 33 lying North of Salt Creek, and The East 60 feet of the Southeast Quarter of the Northeast Quarter of Section 19, the East 60 feet of the Southeast Quarter of Section 19, the East 60 feet of Section 31 lying North of Salt Creek, all located in Township 11 North, Range 7 East of the 6th P.M., Lancaster County, Nebraska.

A map of the Study Area within a larger area context and a boundary map of the Study Area are presented on the following pages.

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¹ A detailed legal description of the study area can be found in Section C of this study.

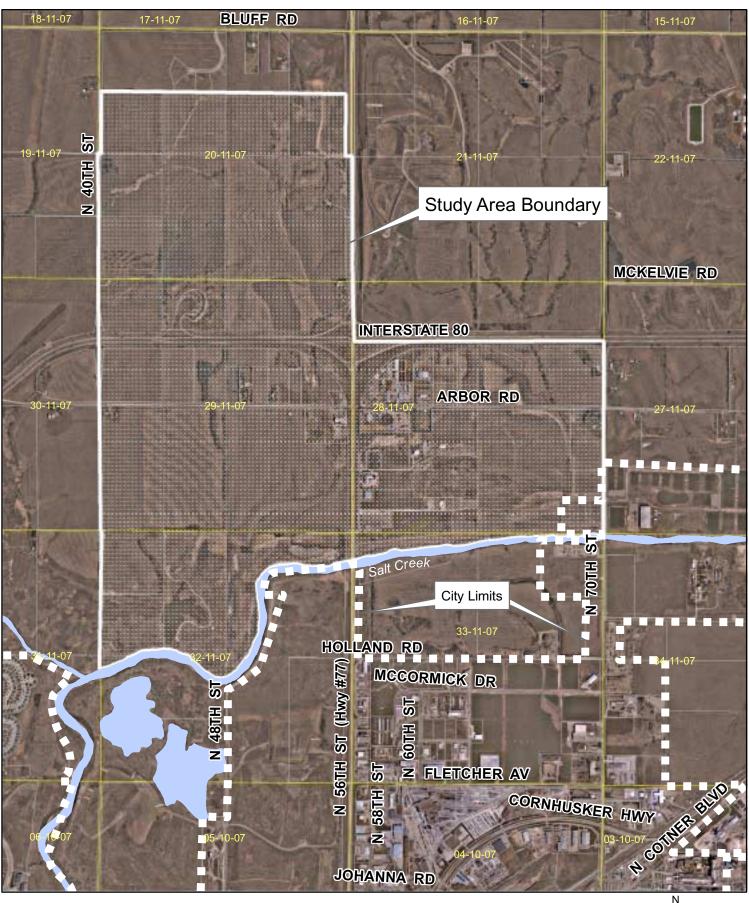




Map 1: Area Context

North 56th Street & Arbor Road Blight Study







Map 2: Study Area Boundary

North 56th Street & Arbor Road Blight Study



B. Nebraska Community Development Law

Nebraska's Community Development Law is found in Neb. Rev. Stat. sections 18-2101 et. seq. (Reissue 1997), as amended, and cited as the "Community Development Law" (the Law). First authorized by constitutional amendment in 1978, it provides a mechanism for cities and villages to improve "substandard and blighted" areas within their boundaries.

The first two paragraphs of section 18-2102 of the Law, sets forth its basic intent. Titled "Legislative findings and declarations", this section provides a general description of "substandard and blighted" areas and their effect on communities.

section 18-2102 Legislative findings and declarations.

It is hereby found and declared that there exist in cities of all classes and villages of this state areas which have deteriorated and become substandard and blighted because of the unsafe, insanitary, inadequate, or overcrowded condition of the dwellings therein, or because of inadequate planning of the area, or excessive land coverage by the buildings thereon, or the lack of proper light and air and open space, or because of the defective design and arrangement of the buildings thereon, or faulty street or lot layout, or congested traffic conditions, or economically or socially undesirable land uses.

Such conditions or a combination of some or all of them have resulted and will continue to result in making such areas economic or social liabilities harmful to the social and economic well-being of the entire communities in which they exist, needlessly increasing public expenditures, imposing onerous municipal burdens, decreasing the tax base, reducing tax revenue, substantially impairing or arresting the sound growth of municipalities, aggravating traffic problems, substantially impairing or arresting the elimination of traffic hazards and the improvement of traffic facilities, and depreciating general community-wide values.

Substandard and Blighted Areas

The Law requires that an area must be found and declared "substandard and blighted" before the provisions of the Law can be instituted—specifically, the preparation of a Redevelopment Plan which sets out a program of redevelopment and requisite financing. The criteria for "substandard" and "blighted" are set forth as definitions in section 18-2103 of the Law.

section 18-2103 Terms, defined.

Substandard area shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, **or** the existence of conditions which endanger life or property by fire and other causes, **or** any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare.

Blighted area shall mean an area, which:

- (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and
- (b) in which there is at least one of the following conditions:
 - (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average;
 - (ii) The average age of the residential or commercial units in the area is at least forty years;
 - (iii) More than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time;
 - (iv) The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or
 - (v) The area has had either stable or decreasing population based on the last two decennial censuses.

In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted.

C. The Study Area

Legal Description

Lots 3 and 12, Irregular Tracts located in Section 20; also Lot 11, Irregular Tracts located in the Southeast Quarter and the Southeast Quarter of the Northwest Quarter of Section 20; also an irregular tract located in the Southwest Quarter of the Northeast Quarter of Section 20; also an irregular tract located in the Southwest Quarter of the Northwest Quarter of Section 20; also an irregular tract located in the Northwest Quarter of the Southwest Quarter of Section 20; also an irregular tract located in the Southwest Quarter of the Southwest Quarter of Section 20; also Lots 3, 10, 17, 19, 24, 27, 31, 32, 35, 37, 40, 42, and 43, Irregular Tracts in Section 28; also a tract of land located in Lot 38, Irregular Tracts, in the Southwest Quarter of Section 28 and more particularly described by metes and bounds as follows: Beginning at the Southwest corner of said Lot 38, Irregular Tracts; thence North 00 degrees 17 minutes 49 seconds West, (assumed), on the West line of said Lot 38, a distance of 437.57 feet; thence South 89 degrees 59 minutes 26 seconds East, a distance of 1,177.81 feet; thence South 07 degrees 20 minutes 38 seconds East, a distance of 68.14 feet; thence South 01 degrees 08 minutes 01 seconds East, a distance of 81.19 feet; thence South 89 degrees 32 minutes 39 seconds East, a distance of 189.61 feet; thence South 00 degrees 00 minutes 004 seconds West, a distance of 288.90 feet; thence North 89 degrees 55 minutes 31 seconds West, a distance of 1,315.45 to the point of beginning...; also Lots 2, 7, 11, 23, 26, 28, 29, 30, 31, 32, 33, 35, 36, 37, and 38, Irregular Tracts in Section 29; also Tract for Hiway located in the Northwest Quarter of Section 29 and .76 acres in the Northwest Quarter and Lot 6 in the Northwest Quarter and Lot 3 in the Northwest Quarter of Section 29, except the West 50 feet and the North 70.01 feet thereof; also Lots 1 and 2, Finigan Brothers Addition, Lancaster County, Nebraska; also Lots 10, 11, 12, and 29, Irregular Tracts in Section 32; also an irregular tract located in the Southwest Quarter of the Northwest Quarter of Section 32; also an irregular tract in the Northwest Quarter of the Northwest Quarter of Section 32; also the North ½ of the Southwest Quarter of Section 32; also that portion of the North ½ of the Southwest Quarter of Section 32 lying north of Salt Creek; also Lot 29, Irregular Tracts in the Northwest Quarter of Section 33, excepting the road; also that portion of Lot 28, Irregular Tracts in the Northwest Quarter of Section 33 located north of Salt Creek; also that part of the east 60 feet of Lot 1, Irregular Tracts, Section 31, located north of Salt Creek; also the east 60 feet of Lot 5, Irregular Tract in the Northeast Quarter of Section 31; also the east 60 feet of a tract of land located in Lot 37 of Irregular Tracts in the Southeast Quarter of Section 30; also the east 60 feet of Lot 61 in the Northeast Quarter of Section 30: also the east 60 feet of the Northwest Quarter of the Northeast Quarter & Lots 24, 25, 26, 32, 56, & 57 in the North 1/2 of Section 30; also the east 60 feet of Lot 8 in the Southeast Quarter of Section 19; also the east 60 feet of the North 1/2 of the Southeast Quarter of Section 19; also east 60 feet of the South ½ of the Northeast Quarter of Section 19. All situated in Township 11 North, Range 7 East of the 6th P.M. Lancaster County, Nebraska. Also the following condominium units: Units A, B, C, and D, Arbor Road Condominium (AKA Parrott Addition), Lancaster County, Nebraska; Units 1 through 6, Arbor Road Second Addition Condominium, Lancaster County, Nebraska; Units A through G, Knaub Business Park, Lincoln, Lancaster County, Nebraska; and Units 1 through 3, BTW Business Park, Lancaster County, Nebraska.

General Description

Summary: The Study Area encompasses 1,873.33 acres of land at three corners of the interchange between Interstate 80 and North 56th Street (US Highway 77) on Lincoln's north side.² The area contains residential, commercial, industrial, public, and agricultural land uses and Commercial, Industrial and Agricultural zoning district designations. Only a small part of the study area (approximately 13.3 acres located in the southeast corner of the area) is currently within the city limits of Lincoln. At the time of this study, there are 67 land parcels within the study area owned by 50 different ownership entities³. Parcels range in size from less than one acre to 160 acres.

History of Area Development: The earliest non-farm development in the area began in the 1950s with the construction of two single-family homes in the southeast quadrant of the study area. Between 1960 and 1971, three additional homes were constructed in the southwest quadrant. The first commercial development in the study area was the construction of a service station at the southeast corner of the I-80 and North 56th Street interchange in 1964, followed by the construction, in 1969, of a larger service station across North 56th Street on the southwest corner of the interchange. No further commercial/industrial development occurred in the area until the 1990s, when light industrial and warehousing businesses began to locate in the area. During the decade of the 1990s, thirteen (13) businesses were constructed in the area, eleven of these since 1995. With the exception of one business located in the southwest part of the study area, all of the businesses built since 1995 are in the southeast quadrant. A tractor supply business is currently under construction in the study area.

Zoning/Land Use: The study area contains zoning districts H-1 Interstate Commercial; H-3 Highway Commercial District; H-4 General Commercial District; I-1 Industrial District; and AG Agriculture District (see following page for location of these districts within the study area). These zoning districts contain the following land uses:

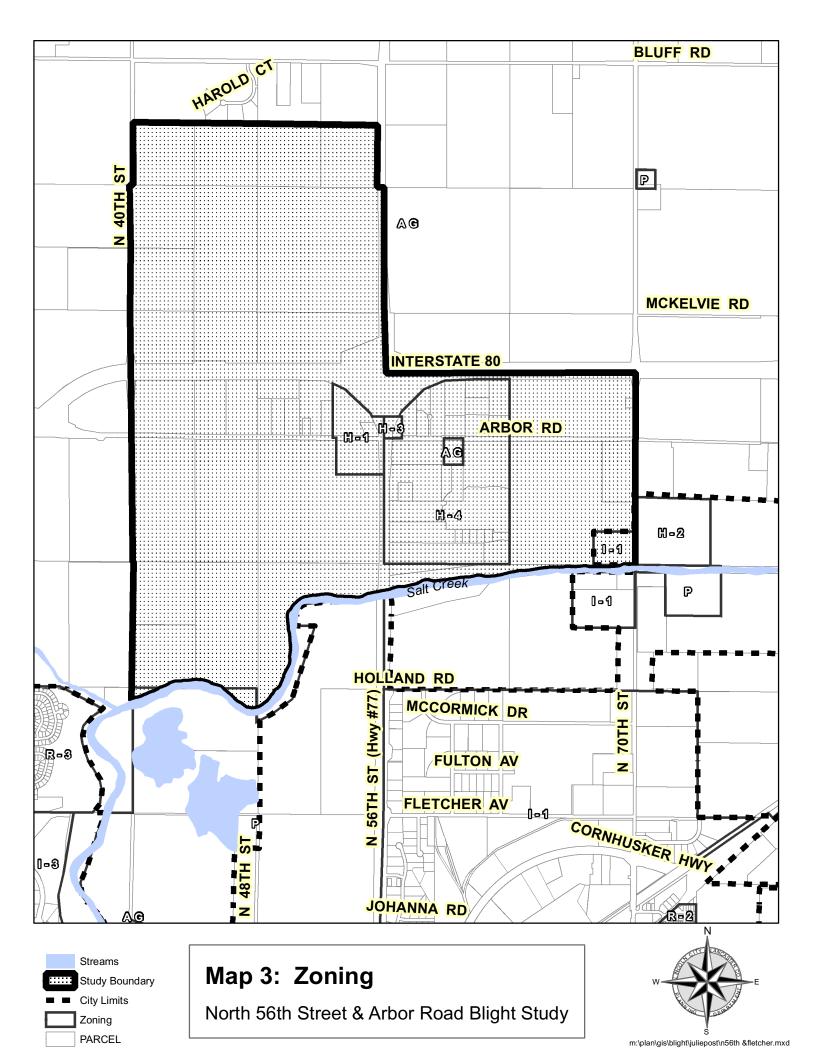
- H-1 District: 30.23 acres located at southwest corner of North 56th Street and I-80. This zoning district contains a service station with small vehicle impound lot and tire sales, repair, and retreading business for trucks (started in 1995 and a nonconforming use in this zone).
- H-3 District: 1.6 acres at southeast corner of North 56th Street and I-80 containing an abandoned service station building.
- H-4 District: 211.11 acres at southeast corner of North 56th Street and I-80. Land uses include warehousing, retail sales, auto sales, and trucking-related industries.
- I-1 District: 13.3 acres located at the southeast corner of the southeast "quadrant" and within city limits. Undeveloped.
- AG District: 1,439.03 acres, including farmsteads, farmland, suburban acreages, and an Interstate highway rest area.

The study area contains 178.06 acres of land dedicated to highway and public street rights-of-way. These rights-of-way include North 40th and North 70th Streets, North 56th Street (US Highway 77), Arbor Road, and North 58th Circle.

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² The northeast corner is the City's Bluff Road Landfill Facility and is not included in the study area.

³ The number of parcels and owners does not include those parts of parcels encompassing the west half (60') of the R-O-W for 40th Street, which is included in the study area.



Area Conditions

This section describes specific conditions in the area related to the substandard and blight criteria contained in the Law. Findings are based on public records, field surveys, and aerial photographic analyses.

STRUCTURES

Residential: The study area contains 11 single-family homes, including 6 located on old farmsteads. The oldest house was built in 1875 and the newest was constructed in 1971. The average age of the residential structures within the study area is 72 years.

Non-residential:

Commercial/Industrial Structures: There are 15 commercial-type structures in the study area. The oldest, an abandoned service station located at the southeast corner of I-80 and North 56th Street was built in 1964 (followed five years later by another station at the southwest corner). The abandoned service station (see picture below) is essentially obsolete and has fallen into a state of disrepair. With the exception of the service stations and the Highway Rest Area located westbound along the Interstate, all non-residential buildings are warehouse-type structures, almost exclusively metal, of average-to-good condition. These buildings were primarily constructed during the 1990s, however a large commercial structure was constructed as recently as 2003 in the study area. The average age of these non-residential structures is 12 years.



⁴ This includes the westbound Interstate Rest Area located in the northwest part of the study area and built in 2982.

<u>Secondary Structures</u>: In addition to the commercial buildings existing in the study area, there are 31 secondary structures located in the study area. Almost all of these serve as auxiliary buildings to residential uses, including former farmsteads. The Lancaster County Assessor lists 23 of these structures in their records, with an average age of 50 years. Three of these structures, in addition to the 8 not reported on the County Assessor's property records are in an advanced state of disrepair or neglect, with structural defects that are serious enough or extensive enough to warrant their removal. It can be assumed that the buildings not shown in the County Assessor's record were constructed at the same time of the homes near them. Using this age as a guide places the average age of all secondary structures at 62 years.





ROADS and STREETS

Public streets and roadways serving the study area include Interstate 80, North 40th and North 70th Streets, which form the west and southeast boundary of the study area, and pass over the Interstate, North 56th Street (US Highway 77) which has a full interchange with the Interstate, Arbor Road, and North 58th Circle, a small cul-de-sac north off of Arbor Road. North 40th, North 56th, and North 70th Streets are all section line roads and Arbor Road is a half-section line road. Arbor Road, which runs parallel to the Interstate, is paved from North 70th Street to approximately 1/4 mile west of North 56th Street. Arbor Road continues west beyond the study area boundaries and passes under the Interstate to intersect with North 27th Street and dead-end at North 14th Street.

Private Roadways: are located in the southeast quadrant of the study area to provide access to businesses on interior parcels. There are two unplatted private drives ending in cul-de-sacs running north from Arbor Road, and two running east-west ending in cul-de-sacs accessed off of North 56th Street. Although paved, as shown in the photograph below, they do not conform to city standards.



⁵ North 40th Street, which is graveled in this area, ends approximately 0.6 miles south of Arbor Road.

⁶ A bridge, which will take Arbor Road over, rather than under, the Interstate will be completed in the Spring of 2006.

LAND SUBDIVISION AND OWNERSHIP

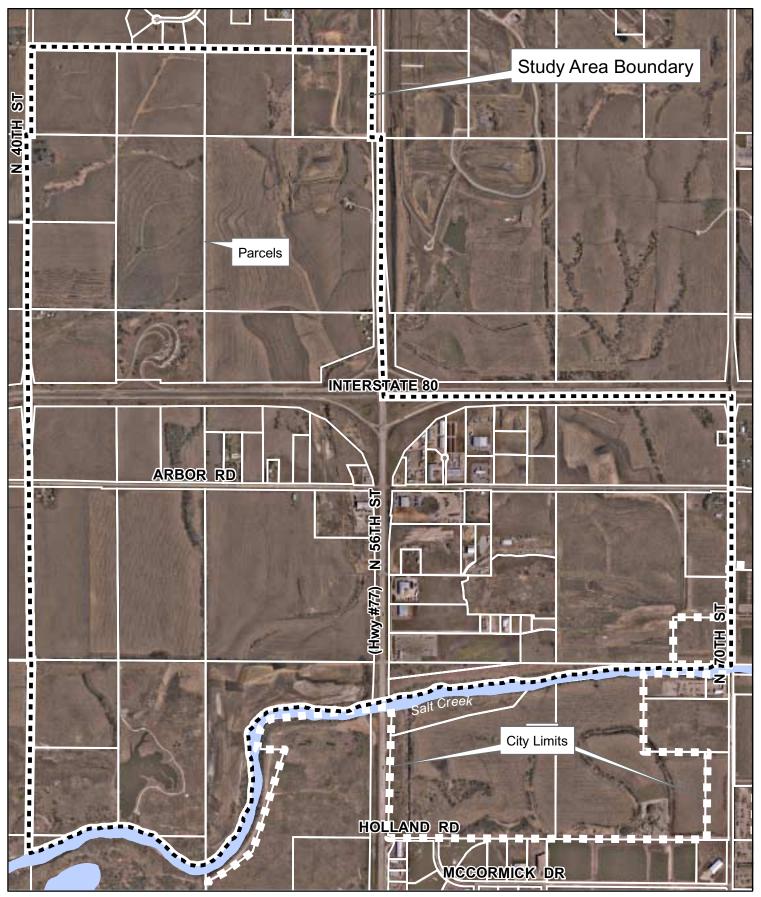
In the southwest and southeast quadrants of the study area, land has been divided into smaller parcels for the purposes of sale and development. All of this parceling has occurred without the review and approval by the city in accordance with subdivision regulations (Title 26 of the Lincoln Municipal Code). The result (see picture below) has been piecemeal development, the creation of oversized lots and irregularly shaped parcels, parcels without adequate consideration for proper design, drainage, or future streets and utilities, interior lots without access to public streets, residential uses mixed in with commercial/industrial uses, and businesses without street addresses reflective of their location. In the west half of the southeast quadrant, this type of land development is especially prevalent. Here, land is being developed under condominium ownership regimes, which essentially enable property owners to subdivide land (and sell parcels) of less than ten acres without subdivision review. There are four condominium regimes in this area, although one of these has been properly recorded as a subdivision (Parrott's Addition).

The map on the following page shows the ownership parcels that have been created in the study area. As shown, the area contains 66 individual ownership parcels ranging in size from less than one acre to 160 acres. The map also shows the location of parcels without frontage on a public street or roadway. There are 50 different ownership entities with property in the study area. Landowners include both public (State Department of Roads, City of Lincoln, Lower Platte South Natural Resources District, and State Board of Education Lands and Funds) and private entities. The ownership diversity and patterns, as well as the unusual condition of condominium ownership of land parcels, complicates assemblage of land for redevelopment purposes.



⁷ Nebraska State Law defines "subdivision" as the division of a lot, tract, or parcel of land into two or more sites, or other divisions of land for the purpose, whether immediate or future, of ownership or building development, except that the division of land shall not be considered to be subdivision when the smallest parcel of land created is more than ten acres in area. The Law further requires that in all unincorporated areas, all subdivision must be platted and laid out in lots, streets and easements in accordance with the subdivision regulations of the county or city with zoning jurisdiction in the area. The creation of parcels by condominium ownership, however, is not considered subdivision.

North 56th Street and Arbor Road Blight Study, Lincoln, Nebraska August, 2005



Map 4: Ownership Parcels, Aerial View

North 56th Street & Arbor Road Blight Study



UTILITIES

Water: Land uses in the study area are almost exclusively served by private wells.⁸ The quality of the well water in the area is very poor--water is not potable because of its high saline content. Information available from the Lincoln Lancaster County Health Department's Division of Environmental Health show chloride contents as high as 600 to 780 mg/l in water samples taken in this area. (250 mg/l is an acceptable maximum for this mineral, a level where the water starts tasting "salty".)

The permitting of wells in this area is controlled by one of two entities, the Lincoln Lancaster County Health Department or the State of Nebraska (Nebraska Health and Human Services System, Department of Regulation and Licensure, Environmental Health Division). Oversight by the State occurs under the Federal Public Water System Supervision (PWSS) Program, with regulations set by the Environmental Protection Agency. Under this program, a "Public Water System" is defined as a system that provides water via piping or other constructed conveyance for human consumption to at least 15 service connections or serves an average of at least 25 people for at least 60 days each year. Only two of the 14 businesses in the study area have placed themselves under the purview of the State as a "transient non-community water system". As such, they are required to collect and submit water samples to the State each quarter for testing.

The Lincoln Lancaster County Health Department's Environmental Public Health Division, issues well permits within the city's three-mile zoning jurisdiction. All new wells within the city's jurisdiction are inspected and sampled, however, only domestic wells within the city limits are required to have an annual inspection and permit. In other words, wells outside of the city are not regularly inspected, nor is their well water regularly sampled.

The City County Health Department began requiring a well permit in 1983. A review of the department's records shows 7 permits for wells have been taken out by commercial enterprises in the study area since 1990—all in the southeast quadrant. Three permits are on file for wells in the southwest quadrant of the study area--two for homes and one from 1969 for the service station. It is not known whether wells are being shared by businesses in the area.

The water supply in this area is also a concern with respect to fire protection. The study area is in the service area of the Raymond Volunteer Fire Department and the western edge of the area is within a half-mile of the Department's Arbor Road Station. This station, a secondary station to the main station in the village of Raymond, has two fire trucks--a pumper truck and a tanker truck which supplies water for the pumper at fires. This would indicate that once the pumper truck is empty, there would be no more water to fight a fire unless additional fire trucks were called. (The main station, located about 11 miles away via Raymond Road, North 14th Street, and Arbor Road, has an additional pumper and tanker truck, a combination pumper/tanker, and 3 pickups with tanks that can be used to extinguish grass fires.) A volunteer interviewed for this study indicated that response time to fires

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⁸ The exception to this is the Interstate highway rest area located in the northeast quadrant of the study area, which is supplied with city water, via a 4 inch line.

⁹ There are three types of public water systems: <u>community water systems</u>, such as cities and towns, rural water districts, and sanitary improvement districts; <u>non-transient non-community water systems</u>, such as a manufacturing company with its own well and more than 25 regular employees or a rural school with over 25 students; and, <u>transient non-community water systems</u>, such as a café beside a highway with its own well, or well water systems at highway rest stops or state parks.

would vary, depending on time of day and what volunteers were available, as many were farmers. She indicated that they could also receive "mutual aid" from surrounding rural fire departments in the case of a large fire. On-site well systems would not be able to provide enough water pressure to provide fire protection to property in the area. One business, which warehouses records, has a 26,000 gallon water tank and large pump within it's building to serve its sprinkler (fire suppression) system.

Wastewater: As with water, because the study area is not served by public infrastructure, individual on-site systems are used to dispose of and/or treat sewage and other wastewater. These on-site systems include enclosed septic tanks, septic systems with drain fields, septic tanks with lagoons, and lagoons. Since February 1967, all systems installed within the three-mile limit are required to be permitted and inspected by the City County Health Department. Since 2001, a 3-acre minimum lot size is required to construct an on-site wastewater system.¹⁰

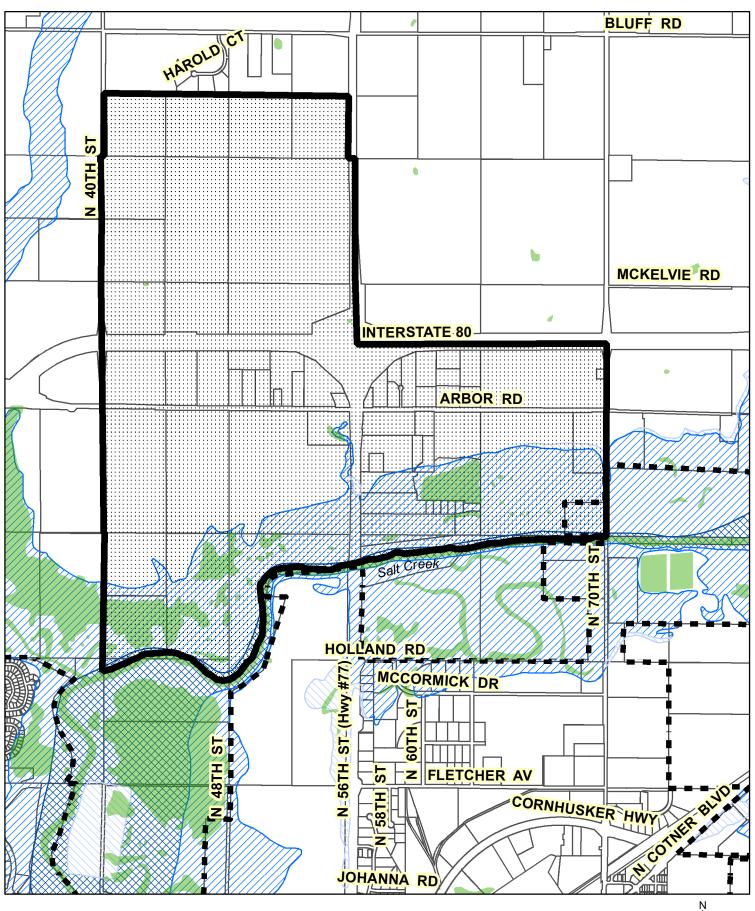
County Health Department records show permits for 12 on-site sewage disposal systems in the study area since 1971: nine (9) in the southeast quadrant, two in the southwest quadrant, and one in the northwest quadrant. Again, it is not known whether landowners in the area share systems. While newer systems are subject to oversight upon installation, many systems in this area predate regulations that require review and inspection. Additionally, once installed (unless modified or replaced), there is <u>no further</u> testing or licensure of systems located outside of the Lincoln city limits.

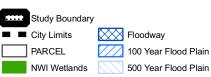
Systems that are not properly maintained contaminate the ground water, create nuisance odors, and in some cases (i.e., lagoons), provide ideal environments for mosquitoes to breed. There are three sewage lagoons located in the study area. One of these lagoons is extremely overgrown with vegetation, which inhibits aerobic activity needed to breakdown the solid wastes.

Additional concerns are the presence of septic systems within the 100-year floodplain. At least three of the systems are within the 100-year floodplain of Salt Creek. The map on the following page shows the location of the floodplain in this area.

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¹⁰ This 3-acre minimum has been required by state law for all lagoons since 1995.





Map 5: Floodplain and Wetlands North 56th Street & Arbor Road Blight Study



SPECIAL CONCERNS

The following are additional insanitary and/or unsafe site conditions that can be found within the study area:

<u>Outdoor tire storage:</u> Two businesses in the area store truck tires--new or used--outdoors on their properties. In the southwest quadrant of the study area, used tires are stacked along most of the west perimeter and about one-third of the south perimeter of a 14.47 acre parcel, forming a line of stacked tires approximately 800 feet long (see picture below). These tires are located around a wetland area and provide an ideal breeding ground for mosquitoes. Additionally, the tires on this parcel are generally surrounded by overgrown vegetation, which provide an extremely dangerous situation in the case of grass fires, especially in times of drought.



Contamination from petroleum products: the abandoned service station at the northeast corner of North 56th Street (US Highway 77) and Arbor Road has been on the State's Leaking Underground Storage Tank (LUST) Trust Fund Priority List since 1999. Records available from the Nebraska Department of Environmental Quality (DEQ) show that this site was the subject of one spill report in 1990 and another in 1999. The three fuel tanks on the site were removed in July of 1999 when a new owner took possession of the property, however, a letter from DEQ to the former owner of record (and considered the responsible party in the spill), dated September 17, 1999, states: "Field instrument and/or laboratory results collected from the base of the excavation or visual evidence of the following tank system components indicate petroleum contamination may impact groundwater or pose other threats to human health and safety." DEQ was unable to locate this former owner and the site has been placed on the State's LUST Trust Fund Priority List for cleanup and remediation. A representative of DEQ reported that the site is about 190th on the list for cleanup and could not suggest a time frame for cleanup to occur.

D. Qualification of the Area

State law stipulates only a few quantifiable criteria with which to measure substandard and blighting conditions in an area. Most of the qualifying factors set forth in the Law are not quantified, but merely conditions that must be present to meet the intent of the Law. The Law is clear, however, on how a community should interpret these criteria. Section 18-2143 of the Law, titled "Sections, how construed." reads, in part, "...The provisions of sections 18-2101 to 18-2144 and all grants of power, authority, rights or discretion herein made to a city and to an authority created under the provisions hereof shall be liberally construed and all incidental powers necessary to carry into effect the provisions of such sections are hereby expressly granted to and conferred upon a city or an authority created pursuant hereto."

Within the context of the Law, the area meets the criteria for "substandard and blighted" as follows:

 Substandard: To qualify as substandard, the predominance of buildings or improvements (residential or non-residential) in an area must meet at least one of four stated conditions or factors as described in section 18-2123 of the Law ("substandard" defined) to the extent that the condition is conducive to problems such as ill health or the transmission of disease and is detrimental to the public health, safety, or welfare.

The lack of public infrastructure (water and sewer) in this area qualifies it as substandard. Undrinkable well water, insufficient water pressure for fre protection, unlicensed and untested wells and on-site sewage treatment systems, improperly maintained sewage disposal systems, and the potential for water contamination by these systems or by petroleum products in the soils in the area are conducive to ill health and the transmission of disease and are detrimental to the public health, safety, or welfare.

2. **Blight:** As set forth in State Law and presented in Part B of this study, an area, in its present condition, must display <u>one or more</u> of ten stated factors that substantially arrest the sound growth of the community or constitute an economic or social liability and are detrimental to the public welfare [part (a) of section 18-2103 "Blighted area" defined] <u>and at least one</u> of five quantifiable conditions [part (b) of section 18-2103 "Blighted area" defined] to be declared blighted. Of the ten blighting factors set forth in part (a) of the definition, eight are present in the study area:

Existence of defective or inadequate street layout;

Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

Insanitary or unsafe conditions;

Diversity of ownership;

Defective or unusual conditions of title;

Improper subdivision or obsolete platting:

Deterioration of site and other improvements; and,

Conditions which endanger life or property by fire and other causes.

Part (b) of the definition of "blight" contains five criteria, one of which must be met to meet the definition under the Law. Each is discussed below:

- (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average: Information on unemployment rates is gathered by the Bureau of Labor Statistics, a division of the U.S. Department of Commerce, and is available for the nation, each state, and each county within the state. According to the BLS, the unemployment rate in the Lincoln MSA was 3.5% in April, 2005, compared with 3.9% for the State and 5.2% for the Nation. Smaller area comparisons are not available.
- (ii) The average age of the residential or commercial units in the area is at least forty years: The average age of residential structures in the area is 72 years. The average age of commercial structures is 12 years, and of secondary structures is 65 years. All non-residential structures combined have an average age of 47 years. Therefore, the study area meets this criterion based on age of residential structures.
- (iii) More than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time: The study area is not within city limits.
- (iv) The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated: The south part of the study area--that part south of Interstate 80--is within Census Tract 29 of Lancaster County. According to the 2000 Census, this census tract had a per capita income in 1999 of \$18,125, compared with \$20,984 for the city of Lincoln. The part of the study area located north of the Interstate is located in Census Tract 101 of the County. It had a per capita income in 1999 of \$20,422, also lower than the city's per capita income. Lancaster County's per capita income in 2000 was \$21,265. These census tracts, however, are larger than the study area and a strict comparison of per capita income is not possible.
- (v) The area has had either stable or decreasing population based on the last two decennial censuses: As with per capita income, data from the U.S. Census and coinciding with the boundaries of the study area is not available. It can be argued, however, that there has been either stable or decreasing population in the area in the last 25 years because the newest house located in the area was built in 1971.

The area—if annexed by the city, along with other areas under consideration for a blight designation at the time of this study, would place 11% of Lincoln under a blight designation. This is well under the 35% maximum set by the Law.

E. Summary and Conclusions

The Study Area can be described as an area that, because of its strategic location, is developing, however without the benefits of comprehensive planning, public water and sewer, and adherence to land subdivision regulations. This unplanned, piecemeal development impairs the sound growth of the community and, as such, presents itself as an economic liability.

This study finds that the area identified as "North 56th Street and Arbor Road" evidences sufficient conditions and factors to meet the criteria of substandard and blighted according to the Law and is, therefore, eligible for designation as a substandard and blighted area pursuant to the Law. It is found that these conditions and factors present a serious barrier to the planned and coordinated development of the area, have created an environment that negatively impacts private sector investment in the area, and serve as a detriment to the overall healthy economic and physical growth of the Lincoln community.

Furthermore, authorization should be granted to proceed with the preparation of a redevelopment plan in accordance with Nebraska Community Development Law. Inaction will result in the continued decline of the area through an increase in the conditions previously discussed and will reduce the development potential that exists in the area.

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